

Rep. Henry A. Waxman
H.R. 4340 – United States - Bahrain Free Trade Agreement
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Mr. Speaker. It is with some hesitation that I rise in support of the U.S.-Bahrain Free Trade Agreement, or FTA.

As the home to the 5th Fleet of the U.S. Navy, Bahrain is a key Gulf ally. I believe this agreement will reinforce that bond with stronger economic ties. The Bahrain FTA also presents an opportunity to build upon trade agreements with Morocco, Jordan, Israel and the Palestinian Authority and provides an incentive for economic integration throughout the region.

Another reason I support the agreement is that the Bahrain government has formally abolished all laws related to the Arab League's boycott of Israel. This is an important precedent for the upcoming FTA negotiations with the UAE, Oman, Egypt, and other Middle East nations. While I am disappointed that the Saudi Arabian government refused to take the same action in the process of its accession to the World Trade Organization, I am hopeful that future trade agreements will be an effective mechanism to make this unfair and illegal discrimination a relic of the past.

In addition, Bahrain has taken significant steps to adopt laws that reflect the five core standards of the International Labor Organization and that the USTR has agreed to periodically review Bahraini compliance with these laws. There was an exchange of letters to clarify that the U.S. can seek enforcement of Bahrain's labor laws under the Labor Chapter of the FTA. Labor laws should be enforceable in every FTA. While the issue should have been dealt with inside of the agreement, rather than in a side letter, the Bahrain FTA highlights the missed opportunities on labor protections in our trade agreements with Chile, Singapore and Central America.

The reason I hesitate is that the Bahrain FTA also has a series of pharmaceutical protections to delay the approval and availability of generic medicines. Provisions such as these, which have been included in the intellectual property chapter of a number of recent agreements, are a serious mistake. They fail to take into account the needs of poor countries where the absence of generic competition can mean the difference between life and death. They undermine the Doha Declaration, which was adopted to make it easier for countries to respond in the event of a public health crisis. They do not reflect the careful balance in U.S. law between the protection of innovation and access to affordable medicine.

I voted against the Central America and Morocco FTAs precisely because I felt strongly that the adoption of these measures by such poor countries would significantly reduce access to medicine. The difference here is that Bahrain is a relatively wealthy nation with a strong public health structure. Health care in Bahrain is delivered through a system of public hospitals and clinics that are available for free to Bahraini citizens and accessible to foreign residents for a nominal fee. While the FTA's pharmaceutical rules are ill-

conceived and will create additional burden and expense for the Bahrain government, the changes should not diminish access to care.

It is hard to fathom, therefore, that the same provisions are being negotiated right now for an FTA with four Andean nations. Bahrain has a population under 1 million people and a low incidence of infectious diseases. In contrast, Colombia, Ecuador, Peru and Bolivia have a combined population of nearly 100 million and more than 200,000 patients suffering from HIV/AIDS. Health care coverage in these countries is available to few and many live in extreme poverty. The contrast is stark. Yet, the USTR is adamantly pursuing a “one size fits all” approach that would require the Andean nations to adopt the same pharmaceutical protections adopted in Bahrain.

The pharmaceutical industry has spoken openly about its efforts to raise drug prices and profit margins around the world. Drug companies are aggressively trying to use trade agreements to force policy changes they could not otherwise achieve. It is time for the USTR to stop callously helping them put profits ahead of public health. The damage in Bahrain may be limited, but the consequences elsewhere may be severe.